



PAN AM RAILWAYS
IRON HORSE PARK
NO. BILLERICA, MA 01862

April 8, 2010

Mr. Peter Leishman
Milford-Bennington Railroad
62 Elm Street
Milford, NH 03055

Re: Trackage Rights Agreement

Dear Mr. Leishman:

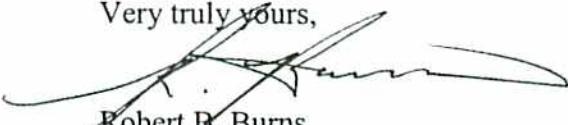
I write in response to your March 21, 2010 letter to me. As you are well aware, the Trackage Rights Agreement has to date, not taken a form which is mutually acceptable to both MBRR and B&M. As you might recall from our March 19, 2010 meeting, and which was memorialized in your letter dated, March 21, 2010, you are agreeable to a 2000 car annual minimum, and a new rate of \$10.21 per car over and above that 2000 cars. You cite as your primary justification to reject B&M's request of 5,500 (or 11,000 round trip) cars annually the recent economic slow-down, whereas your customer has experienced a substantial slow-down in product demand.

Accordingly, B&M would be willing, on a temporary (6 month) basis, to forego the mandatory minimum and allow MBRR to operate on a "number of cars moved" basis at the prevailing rate of \$10.21 per car. In return, you would agree to return to the negotiating table, on a good faith basis, and re-negotiate the annual minimum based on the car volume data available at that time. As a side bar, the mandatory minimum of four (4) round-trips per day is merely based on your under-oath representations to the STB, as justification for requiring B&M to upgrade/maintain the track from Excepted Track to Class 1, that MBRR, "was able to operate 4 stone trains on most days...", but for the Excepted Tack conditions (see attached Sworn Statement of Peter R. Leishman).

Additionally, your request to reduce the trackage rights from MPN 11 to MPN 13 is acceptable to B&M. Also, B&M is willing to extend the term of the Agreement from three (3) years to six (6) years.

Accordingly, it is B&M's hope that the parties can finalize and execute an updated Agreement in the very near future. If you have additional comments or concerns, kindly contact me at your earliest opportunity.

Very truly yours,



Robert D. Burns
Corporate Counsel
(978) 663-1215